

Amend Handbook Section 42-207.2 to read:

42-207 PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT

42-207

.1 (Continued)

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.2 Food Stamp regulations at Manual of Policies and Procedures Section 63-1101.1 allows retention of \$3,000 for an AU which includes at least one member aged 60 or older or a disabled member, and \$2,000 for all other AUs. These limits may change in accordance with changes in Food Stamp resource limits

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Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, 11155, 11155.2, and 11257, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).

Amend Section 42-215.4 and Renumber and Amend Sections 63-501.3(c)(1) and (2) and 63-501.51 through 63-501.53 to read:

Post-hearing: Amend Section 42-215.471 to read:

42-215 DETERMINING VALUE OF PROPERTY (Continued)

42-215

.4 Determination of Vehicle Value: The county shall determine the value of vehicles in conformance with methods established below.

.41 Fair Market Value of Vehicles - Verification

.411 The fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The CWD shall insure that the blue book used to determine the value of vehicles has been updated within the last six months. The CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the CWD shall assign the listed value which is comparable to the wholesale value. The CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.

.412 To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book value listed to the extent that the vehicle has been identified.

.413 A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper

advertisement which indicates the amount for which like vehicles are being sold.

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.42 Handling of Unlicensed Vehicles

The value of unlicensed vehicles shall be their equity value, unless an exemption applies. The equity value is the fair market value less encumbrances.

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.43 Handling of Licensed Vehicles.

The value of licensed vehicles shall be the greater of the fair market value as provided in Section 42-215.44, or the equity value as provided in Section 42-215.45, unless an exemption applies as provided in Section 42-215.431.

.431 The entire value of any licensed vehicle shall be exempt if any of the following apply:

- (a) It is used primarily (over 50 percent of the time the vehicle is used) for income-producing purposes such as, but not limited to, a taxi, truck or fishing boat;
- (b) It annually produces income that is consistent with its fair market value, even if used on a seasonal basis;
- (c) It is necessary for long distance travel, other than daily commuting, that is essential to the employment of a household member; for example, the vehicle of a traveling sales person or a migrant farm worker following the work stream;
- (d) It is used as the family's residence.
- (e) It is necessary to transport a physically disabled household member, including an excluded disabled family member, regardless of the purpose of the transportation.

Example:

- (1) If the physical disability of the individual is not evident to the eligibility worker, verification shall be required.
- (2) The individual shall be required to provide a statement from a physician certifying that the individual is physically disabled. The disability may be temporary or permanent.

- (3) There shall be a limit of one vehicle per physically disabled household member.
 - (4) The vehicle need not have special equipment or be primarily used by or for the transportation of the physically disabled household member. However, a vehicle shall be considered necessary for the transportation of a physically disabled household member if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle that makes it possible to transport the disabled person.
 - (f) It would be exempted under any of Sections 42-215.431(a) through (d), inclusive, but the vehicle is not in use because of temporary unemployment, such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen in and cannot be used.
 - (g) It is used to carry fuel for heating or water for home use, when the transported fuel or water is the primary source of fuel or water for the family.
 - (h) The equity value of the vehicle is one thousand five hundred and one dollars (\$1,501) or less.
- .44 Each licensed vehicle that is not exempted under Section 42-215.431 shall be individually evaluated for fair market value, and any portion of the value that exceeds four thousand six hundred fifty dollars (\$4,650) shall be attributed in full market value toward the family's resource level, regardless of any encumbrances on the vehicle, the amount of the family's investment in the vehicle, and whether the vehicle is used to transport family members to and from employment. Each vehicle shall be appraised individually. The fair market value of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.
- .441 For example, a household owning an automobile with a fair market value of \$5,500 shall have the current vehicle exclusion limit (\$4,650 as of October, 1996) excluded and \$850 applied toward its resource level.
- .45 Licensed vehicles shall also be evaluated for their equity value, except for the following:
- .451 Vehicles excluded by Section 42-215.43.
 - .452 One licensed vehicle per adult family member, regardless of the use of the vehicle.

- .453 Any other licensed vehicle driven by a household member under 18 years of age (or an ineligible noncitizen or disqualified household member under age 18 whose resources are being considered available to the household) to commute to and from employment, or to and from training or education which is preparatory to employment, or to seek employment. The equity exclusion applies during temporary periods of unemployment, to a vehicle which a member under age 18 customarily drives to commute to and from employment.
- .46 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 42-215.441 and an equity value, only the greater of the two amounts shall be counted as a resource.

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- .461 When computing the value of a licensed vehicle which has not been totally excluded or is not equity exempt, determine both the FMV and the equity value of the vehicle. The larger of the two values is considered the resource value and counted in the resource limit.

Example: The greater of the two amounts is counted as a resource.

Computation of FMV		Computation of Equity Value	
\$5,000	FMV	\$5,000	FMV
-4,650	Exclusion Limit	-3,250	Amount Owed
\$ 350	Excess FMV	\$1,750	Equity Value

The greater of the two amounts to be considered as a resource is \$1,750.

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- .47 Steps in evaluating vehicles:

.471 **Step One**

Determine if any vehicle in the household ~~are~~ is excludable as a resource. Vehicles in this category include those that are:

- (a) Income producing;
- (b) Annually producing income consistent with FMV, even if used on a seasonal basis;
- (c) Necessary for long distance travel to employment other than daily commuting, e.g., traveling salesman;

- (d) Used as a home;
- (e) Necessary to transport a physically disabled household member;
- (f) Previously used as income producing by a self-employed household member who is temporarily unemployed. Exclude for one year period from date of termination of self-employment in farming.
- (g) Household depends on vehicle to carry fuel for heating or water for home use when such fuel or water is the primary source of fuel or water for the household.

If none of the vehicles in the household are categorized as excludable from resource consideration, or there are remaining vehicles left to be evaluated after others have been determined excludable, go to Step 2.

.472 Step Two

Exclude any vehicle, licensed or unlicensed, that is an inaccessible resource (a vehicle that will not produce an estimated return of more than \$1,500). Valuation of an inaccessible vehicle is required at application and when a new vehicle is reported. Reevaluation is required only at redetermination.

.473 Step Three

Of the remaining licensed vehicles, determine the number of adult household members and exempt one vehicle each from the equity valuation. The FMV must be calculated, and the excess FMV is considered as a countable resource. Adult household members also include ineligible noncitizens or disqualified family members whose resources are considered available to the AU.

Then, determine if any of the remaining licensed vehicles in the family are used by a teenager under age 18 to drive to work, school, job training, or to look for work. If there is a vehicle used by a teenager for any of these purposes, it is exempt from the equity value, but must be evaluated for FMV. The excess FMV is considered a countable resource. Family members under the age of 18 also include an ineligible noncitizen or disqualified household member under age 18 whose resources are considered available to the AU.

.474 **Step Four**

For any remaining licensed vehicles, compute the FMV and the equity value. Use the greater of the excess FMV or equity value as the countable resource value.

.475 **Step Five**

For any remaining unlicensed vehicles compute the equity value of each and use the resultant amount as a countable resource value.

Add the values of the above resource values to arrive at the total vehicle resource value.

.48 The exclusions for licensed vehicles as specified in Section 42-215.431 shall also apply to:

.481 unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed;

.482 licensed vehicles used by ineligible noncitizens or disqualified persons whose resources are considered available to the family.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063, 10554, 11155 and 18901.9 (Ch. 743, Stats. of 2003), Welfare and Institutions Code; and proposed 7 CFR 273.8(f)(4) as published in Federal Register Volume 68, No. 168, Page 51933 on August 29, 2003.

Amend Sections 63-501.1, .3, and .5 to read:
Post-hearing: Amend Section 63-501.5 to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.1 Definition of Resources (Continued)

- .12 Nonliquid resources, such as personal property, buildings, land, recreational properties, and any other property, provided that these resources are not specifically excluded under Section 63-501.3. The value of nonexempt resources, shall be its equity value. The equity value is the fair market value less encumbrances. (Continued)

.3 Exclusions from Resources

In determining the resources of a household, only the following shall be excluded:
(Continued)

- (c) Vehicles shall be excluded.

(1) Renumbered to Section 42-215.481

(2) Renumbered to Section 42-215.482

- (d) (Continued)

.5 Resource Values

The value of nonexcluded resources shall be ~~their~~ its equity value. The equity value is the fair market value less encumbrances.

Sections 63-501.51 through .53 renumbered to Sections 42-215.41 through .475

.6 (Continued)

Authority Cited: Sections 10553 and 10554, 11209, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18901.9, and 18904, Welfare and Institutions Code; 7 Code of Federal Regulations (CFR) 272.8(e)(17); 7 CFR 273.2(j)(4); 7 CFR 273.8; 7 CFR 273.8(e)(11), (12)(ii), and (18); 7 CFR 273.8(f) and (h); proposed 7 CFR 273.8(f)(4) as published in Federal Register Volume 68, No. 168, Page 51933 on August 29, 2003; Public Law (P.L.) 100-50, Sections

22(e)(4) and 14(27), enacted June 3, 1987; P.L. 101-201; P.L. 101-426, Section 6(h)(2), as specified in United States Department of Agriculture (U.S.D.A.), Food and Nutrition Service (FNS), Administrative Notice (AN) 91-37; P.L. 101-508, Section 11111(b); P.L. 101-624, Section 1715; P.L. 102-237, Section 905, as specified in Federal Administrative Notice 92-12, dated January 9, 1992; Section 2466d., Title 20, United States Code (U.S.C.); 7 U.S.C. 2014(d) ~~and (g)(2)(D)~~; 26 U.S.C. 32(j)(5); 42 U.S.C.A. 5122 as amended by P.L. 100-707, Section 105(i); U.S.D.A., FNS, ANs 91-30 and 94-39; Index Policy Memo 90-22, dated July 12, 1990; U.S.D.A., FNS, AN 94-58, dated July 5, 1994; and P.L. 104-193, Sections 810 and 827 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

Amend Handbook Section 63-1101.11 to read:

63-1101 TABLES OF COUPON ISSUANCE (Continued) 63-1101

.1 (Continued)

.11 \$3,000 for all households which include at least one member aged 60 or older or a disabled member.

.12 \$2,000 for all other households. (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10554, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).